

AMENDED IN ASSEMBLY MARCH 16, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1863

Introduced by Assembly Member Gallegos

February 10, 2000

An act to amend Sections 14005.7 and 14005.12 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1863, as amended, Gallegos. Medi-Cal: eligibility.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services. Existing law establishes income eligibility levels for those persons not automatically eligible for Medi-Cal by virtue of eligibility for certain public assistance programs.

This bill would, on January 1, 2001, and on each January 1 thereafter, increase these levels in a specified manner.

This bill would also establish certain income deductions for needy families and aged, blind, and disabled persons qualifying for Medi-Cal eligibility benefits as medically needy recipients.

This bill would make implementation of its provisions subject to the availability of federal financial participation, and would require the department to seek any ~~necessary~~ federal approvals *necessary* for its implementation. *If this federal approval is not obtained, it would permit the Attorney General to file judicial proceedings.*

Because each county is required to determine Medi-Cal eligibility, and because the bill would expand Medi-Cal eligibility, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14005.7 of the Welfare and
2 Institutions Code is amended to read:

3 14005.7. (a) Medically needy persons and medically
4 needy family persons are entitled to health care services
5 under Section 14005 providing all eligibility criteria
6 established pursuant to this chapter are met.

7 (b) Except as otherwise provided in this chapter or in
8 Title XIX of the federal Social Security Act, no medically
9 needy family person, medically needy person or
10 state-only Medi-Cal persons shall be entitled to receive
11 health care services pursuant to Section 14005 during any
12 month in which his or her share of cost has not been met.

13 (c) (1) In the case of a medically needy person,
14 monthly income, as determined, defined, counted, and
15 valued, in accordance with Title XIX of the federal Social
16 Security Act, in excess of the amount required for
17 maintenance established pursuant to Section 14005.12,
18 exclusive of any amounts considered exempt as income
19 under Chapter 3 (commencing with Section 12000), less
20 amounts paid for Medicare and other health insurance

1 premiums shall be the share of cost to be met under
2 Section 14005.9.

3 (2) Individuals or couples qualifying for benefits
4 under this chapter as medically needy persons on the
5 basis of age, blindness, or disability shall additionally
6 deduct as a special income deduction an amount equal to
7 the difference between the income level for
8 maintenance need for an individual or couple as set forth
9 in subdivisions (a), (b), and (c) of Section 14005.12 and
10 the amount of SSI/SSP the individual or couple would be
11 entitled to receive under Chapter 3 (commencing with
12 Section 1300) if the individual or couple had no income
13 other than SSI/SSP.

14 (3) ~~The By March 1, 2001, the department shall seek~~
15 ~~any necessary approvals, including state plan~~
16 ~~amendments, for the changes in income methodologies~~
17 ~~authorized in paragraph (2) by not later than March 1,~~
18 ~~2001. The approvals, including state plan amendments,~~
19 ~~necessary to receive federal financial participation for~~
20 ~~medical and remedial services payable by reason of the~~
21 ~~special income deduction provided for in paragraph (2).~~
22 ~~If this approval is not granted by the federal government,~~
23 ~~the Attorney General may file all administrative and~~
24 ~~judicial proceedings available under the law to obtain the~~
25 ~~approval. The income methodology change provided for~~
26 ~~in paragraph (2) shall be implemented only to the extent~~
27 ~~federal financial participation is available for health care~~
28 ~~benefits provided after the special income deduction~~
29 ~~authorized in that paragraph.~~

30 (d) In the case of a medically needy family person or
31 state-only Medi-Cal person, monthly income, as
32 determined, defined, counted, and valued, in accordance
33 with Title XIX of the federal Social Security Act, in excess
34 of the amount required for maintenance established
35 pursuant to Section 14005.12, exclusive of any amounts
36 considered exempt as income under Chapter 2
37 (commencing with Section 11200), less amounts paid for
38 Medicare and other health insurance premiums shall be
39 the share of cost to be met under Section 14005.9.

(e) In determining the income of a medically needy person residing in a licensed community care facility, income shall be determined, defined, counted, and valued, in accordance with Title XIX of the federal Social Security Act, any amount paid to the facility for residential care and support that exceeds the amount needed for maintenance shall be deemed unavailable for the purposes of this chapter.

SEC. 2. Section 14005.12 of the Welfare and Institutions Code is amended to read:

14005.12. (a) (1) For the purposes of Sections 14005.4 and 14005.7, the department shall establish the income levels for maintenance need at the levels that reasonably permit medically needy persons to meet their basic needs for food, clothing, and shelter, and for which federal financial participation will be maximized under Title XIX of the federal Social Security Act. It is the intent of the Legislature that the income levels for maintenance need for medically needy aged, blind, and disabled adults, in particular, shall be based upon amounts that adequately reflect their needs.

(2) (A) Reductions in the maximum aid payment levels set forth in subdivision (a) of Section 11450 in the 1991–92 fiscal year, and thereafter, shall not result in a reduction in the income levels for maintenance under this section.

(B) The department shall seek any necessary federal authorization for maintaining the income levels for maintenance at the levels in effect June 30, 1991.

(C) If federal authorization is not obtained, medically needy persons shall not be required to pay the difference between the share of cost as determined based on the payment levels in effect on June 30, 1991, under Section 11450, and the share of cost as determined based on the payment levels in effect on July 1, 1991, and thereafter.

(D) Any medically needy person who was eligible for benefits under this chapter as categorically needy for the calendar month immediately preceding the effective date of the reductions in the minimum basic standards of adequate care for the Aid to Families with Dependent

Children program as set forth in Section 11452.018 made in the 1995–96 Regular Session of the Legislature shall not be responsible for paying his or her share of cost if all of the following apply:

(i) He or she had eligibility as categorically needy terminated by the reductions in the minimum basic standards of adequate care.

(ii) He or she, but for the reductions, would be eligible to continue receiving benefits under this chapter as categorically needy.

(iii) He or she is not eligible to receive benefits without a share of cost as a medically needy person pursuant to subparagraph (A) or (B).

~~(3) (A) The income levels for maintenance under this section in effect July 1, 1989 August 22, 1996, shall be increased on January 1, 2001, by a percentage equal to the intervening consumer price index increases but not more than 20 10 percent. On January 1 of each subsequent year, the income levels for maintenance under this section shall be increased by a percentage equal to the lesser of the Consumer Price Index or the Social Security Cost-of-Living Allowance increases. The department shall seek any necessary federal approvals, including state plan amendments and federal waivers, for increasing the federal financial participation for all or part of the cost-of-living increases in the income levels for maintenance under this section.~~

~~(B) Any person qualifying for benefits under this chapter on the basis of age, blindness, or disability in accordance with Section 14005.7 shall be entitled to a special income deduction in an amount equal to the amount of income by, if any, which the SSI/SSP grants and nonexempt income allowed for the categorically needy exceeds the medically needy income level as set forth in subparagraph (A).~~

~~(C) Notwithstanding any other provision of law, the income of any person qualifying for benefits under this chapter as a medically needy family person pursuant to Section 14005.7 shall be subject to the same deductions provided to individuals who are recipients of services~~

~~1 under Section 1396u-1 of Title 42 of the United States
2 Code, including any options under Section
3 1396u-1(b)(2)(C) exercised by the state.~~

~~4 (D) The department shall seek any necessary federal
5 approvals, including state plan amendments and waivers,
6 for federal financial participation for the increases in the
7 income levels for maintenance under this section.
8 Subparagraphs (A) and (B) shall be implemented only to
9 the extent federal financial participation is available for
10 the increases in the medically needy income levels
11 provided for in those subparagraphs. *Index. By March 1,
12 2001, and each March 1 thereafter, the department shall
13 seek any approvals, including state plan amendments,
14 necessary to receive federal financial participation for
15 medical and remedial services payable by reason of the
16 increases in the income levels for maintenance under this
17 section. If this approval is not granted by the federal
18 government, the Attorney General may file all
19 administrative and judicial proceedings available under
20 the law to obtain the approval.*~~

~~21 (b) Except as provided for in paragraphs (2) and (3)
22 of subdivision (a), in the case of a single individual, the
23 amount of the income level for maintenance per month
24 shall be 80 percent of the highest amount that would
25 ordinarily be paid to a family of two persons, without any
26 income or resources, under subdivision (a) of Section
27 11450, multiplied by the federal financial participation
28 rate.~~

~~29 (c) Except as provided for in paragraphs (2) and (3)
30 of subdivision (a), in the case of a family of two adults, the
31 income level for maintenance per month shall be the
32 highest amount that would ordinarily be paid to a family
33 of three persons without income or resources under
34 subdivision (a) of Section 11450, multiplied by the federal
35 financial participation rate.~~

~~36 (d) For the purposes of Sections 14005.4 and 14005.7,
37 for a person in a medical institution or nursing facility, or
38 for a person receiving institutional or noninstitutional
39 services from an organization with a frail elderly
40 demonstration project waiver pursuant to Chapter 8.75~~

(commencing with Section 14590), the amount considered as required for maintenance per month shall be computed in accordance with Title XIX of the federal Social Security Act, and regulations adopted pursuant thereto. Those amounts shall be computed pursuant to regulations which include providing for the following purposes:

(1) Personal and incidental needs in the amount of not less than thirty-five dollars (\$35) per month while a patient. The department may, by regulation, increase this amount as necessitated by increasing costs of personal and incidental needs. A long-term health care facility shall not charge an individual for the laundry services or periodic hair care specified in Section 14110.4.

(2) The upkeep and maintenance of the home.

(3) The support and care of his or her minor children, or any disabled relative for whose support he or she has contributed regularly, if there is no community spouse.

(4) If the person is an institutionalized spouse, for the support and care of his or her community spouse, minor or dependent children, dependent parents, or dependent siblings of either spouse, provided the individuals are residing with the community spouse.

(5) The community spouse monthly income allowance shall be established at the maximum amount permitted in accordance with Section 1924(d)(1)(B) of Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396r-5(d)(1)(B)).

(6) The family allowance for each family member residing with the community spouse shall be computed in accordance with the formula established in Section 1924(d)(1)(C) of Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396r-5(d)(1)(C)).

(e) For the purposes of Sections 14005.4 and 14005.7, with regard to a person in a licensed community care facility, the amount considered as required for maintenance per month shall be computed pursuant to regulations adopted by the department which provide for the support and care of his or her spouse, minor

1 children, or any disabled relative for whose support he or
2 she has contributed regularly.

3 (f) Except as provided for in paragraphs (2) and (3)
4 of subdivision (a), the income levels for maintenance per
5 month, except as specified in subdivisions (b) to (d),
6 inclusive, shall be equal to the highest amounts that
7 would ordinarily be paid to a family of the same size
8 without any income or resources under subdivision (a) of
9 Section 11450, multiplied by the federal financial
10 participation rate.

11 (g) The “federal financial participation rate,” as used
12 in this section, shall mean $133\frac{1}{3}$ percent, or such other
13 rate set forth in Section 1903 of the federal Social Security
14 Act (42 U.S.C. Sec. 1396(b)), or its successor provisions.

15 (h) The income levels for maintenance per month
16 shall not be decreased to reflect the presence in the
17 household of persons receiving forms of aid other than
18 Medi-Cal.

19 (i) When family members maintain separate
20 residences, but eligibility is determined as a single unit
21 under Section 14008, the income levels for maintenance
22 per month shall be established for each household in
23 accordance with subdivisions (b) to (h), inclusive. The
24 total of these levels shall be the level for the single
25 eligibility unit.

26 (j) The income levels for maintenance per month
27 established pursuant to subdivisions (b) to (i), inclusive,
28 shall be calculated on an annual basis, rounded to the next
29 higher multiple of one hundred dollars (\$100), and then
30 prorated.

31 SEC. 3. Notwithstanding Section 17610 of the
32 Government Code, if the Commission on State Mandates
33 determines that this act contains costs mandated by the
34 state, reimbursement to local agencies and school
35 districts for those costs shall be made pursuant to Part 7
36 (commencing with Section 17500) of Division 4 of Title
37 2 of the Government Code. If the statewide cost of the
38 claim for reimbursement does not exceed one million

1 dollars (\$1,000,000), reimbursement shall be made from
2 the State Mandates Claims Fund.

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